

W-02824A-07-0388

ORIGINAL



0000085777

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2008 69041

Date: 6/5/2008

Complaint Description: 08D Rate Case Items - Hearing/PC Meeting
N/A Not Applicable

Complaint By: First: Last:
Virginia Hilkemeier

Account Name: [REDACTED]

Home: [REDACTED]

Street: [REDACTED]

Work:

City: [REDACTED]

CBR:

State: AZ Z [REDACTED]

is:

Utility Company: ICR Water Users Association

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

6/5 RECEIVED FROM CHAIRMAN GLEASON'S OFFICE ****CC'D TO ALL COMMISSIONERS

DOCKET NO. W-02824A-07-0388

From: Betty Camargo
Sent: Thursday, June 05, 2008 9:21 AM
To: Connie Walczak
Subject: FW: ICR Water Users Association

Betty Camargo, Executive Aide to
Chairman Gleason
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007
[REDACTED]

Arizona Corporation Commission

DOCKETED

JUN 5 2008

DOCKETED BY

[Signature]

AZ CORP COMMISSION
DOCKET CONTROL

2008 JUN -5 P 4: 25

RECEIVED

From: V Hilkemeier [mailto:mrshilk@hotmail.com]
Sent: Thursday, June 05, 2008 7:44 AM
To: Mayes-WebEmail; Mundell-Web; Hatch-WebEmail; Pierce-Web; Gleason-WebEmail

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Subject: FW: ICR Water Users Association

My husband and I are fairly new to Prescott, and we're only recently informed regarding the issues that are brought about by the apparent relationship between the ICRWUA Board of Directors and Harvard and Talking Rock Golf Club. While we've not been able to fully read all correspondence, which we understand goes back to 2002, we have read both sides' correspondence since we moved here in November, 2007. It's apparent to us, try as we might to see the fairness on both sides, that the LOU between the Board and Harvard and Talking Rock Golf Club is so one-sided, it's laughable. Unfortunately, we know this is serious, and wish to do what we can, as paying consumers, to rectify the imbalance that is being shoved at us.

The last letter we received from the Board, just days before the "public meeting" scheduled for June 3, was threatening, at best. We can't believe that there isn't a middle ground that can be found, and that the directions of the ACC to comply with Decision 64360 are obviously being ignored. We had asked for a copy of the survey the Board was going to pass out at the June 3 meeting, as we were unable to attend, but were told only those who actually listened to the Board's presentation at the meeting would be allowed to complete the survey. How can they possibly think they're in touch with the "public" when they pull stunts like this?

Larry Bligh's e-mail to the community following the June 3 meeting is attached, and I'm sure the majority of the water users are in agreement that there's something definitely lacking in the information being presented by the Board as to its relationship with Harvard and Talking Rock.

We would welcome a meeting in Prescott for the ACC to air its concerns to the public, and intervene, if necessary, in the situation. The Board cannot continue on the road its taken to create a one-sided relationship with the developer. The residential water users will be the ones footing the bill for the developer and the golf course, which is certainly not the intent of the ACC's Decision.

Thank you,
Virginia and Del Hilkemeier
 (Inscription Canyon Ranch development)

ICR Friends & Neighbors,

Hopefully, most of you attended last evening's meeting and have formed your own opinions on the situation we have at hand with our ICR Water Users Association (ICRWUA) Board of Directors and the issues with Harvard and Talking Rock Golf Club (TRGC).

For anyone who has been following this situation, I believe found the presentation by the Board, in an attempt to explain the proposed Letter of Understanding (LOU) and contractual relationships with Harvard and TRGC, sorely lacking. In my view, literally, the presentation was nothing more than a reading aloud of the LOU and the string of written communications that had been sent to our membership. Personally, I gained nothing from the Board's presentation. Their entire emphasis centered on the list of "doomsday" items they had already given us along with defending their support of providing to TRGC "and/or any of its affiliates" a significantly discounted rate for service. Please keep in mind this discounted rate applies to an amount in excess of 171 million gallons of precious groundwater.

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I also feel it important that everyone remember the Board continues to defend their position that through their developed contractual relationship, that TRGC in their mind, should not be considered a tarified customer. Also, please keep in mind that as a part of the LOU proposal, included in the 171 million plus discounted gallons, they are now proposing that the Talking Rock developer, TRGC "and/or any of its affiliates" be included as eligible for the proposed discounted rate. The amount of water that they are proposing to supply, 40 million plus gallons of groundwater, is in addition to the 130 million plus gallons they are currently using for irrigation of the golf course. Personally, I find it outrageous that we are now considering allowing another contract to be entered into creating yet another non-tarified arrangement. Instead of focusing on fixing the numerous problems at hand, it appears the intent is to broaden the problem.

I also found the structure of the meeting a grave concern. A great deal of time was wasted reading aloud something that I have to believe most people were fully capable of reading for themselves. I also have to imagine that most people had done their homework and had read the documents (LOU and string of Board communications) before arriving for the meeting. Many of you expressed to me after the meeting in person, by telephone and by e-mail, your distress with the entire situation. I would also challenge the Board on their process for requesting people to fill out a vague and ambiguous survey without having answered the vast majority of questions that had been submitted to them, in writing, as they had requested. How does a person fill out any survey before a Q&A session is completed?

As for the few questions that were read aloud, out of what appeared to be possibly hundreds that were submitted to the Board, it is my opinion that what answers were given were poor at best. I have to believe that many of you submitted important questions that deserved to have been answered at the meeting. I know that I submitted a number of questions that I certainly wanted answered in the public forum and felt that if properly answered, would have been helpful for others to understand some of the issues. It is interesting that the Board did find time to read aloud one question that related to what was referred to as "a coo attempt" to have the Board removed and had Dayne Taylor respond. I felt that was completely uncalled for. Certainly there were far more important questions to have read aloud and answered than something so foolish. Personally, I am outraged at the lack of attention paid to the questions provided by this membership by our Board of Directors.

Many of you presented the question to me, "what are we going to do to stop this mess?" If you recall, I had let everyone know that Commissioner Mayes had offered, if we felt it necessary, that she would bring herself and her colleagues to Prescott to meet with us in an open forum. Personally, I think without their intervention, this entire mess is simply going to drag on and on. This has to be stopped!

I would recommend to each and every one of you, that you write to the Arizona Corporation Commission (ACC) with your thoughts and concerns as soon as possible. As I have said many times, it is clear to me that the ACC is listening and cares about what is happening here. I will provide for you below, the names, titles and e-mail addresses for all the Commissioners and the Chairman. You can address one e-mail to all of the Commissioners. In your communication, I would suggest that you encourage Commissioner Mayes and her colleagues to please intervene in this desperate situation. You might mention to her that you are aware that she committed to this kind of meeting if we felt it was necessary. Personally, I feel it is absolutely necessary. Only if enough of us make this request, will the Commissioners feel it important enough for them to make the trip to Prescott.

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I will volunteer to coordinate arrangements for a public meeting place, etc., should Commissioner Mayes and her colleagues want to arrange for a meeting. I will communicate in my e-mail to Commissioner Mayes that if she feels the trip is warranted, that I will assist with any necessary arrangements.

As always, thank you for your time and attention to these important issues. Should any of you have any questions, please feel free to call me at [REDACTED]

Larry Bligh

The e-mail addresses for the five Commissioners are as follows:

Commissioner Mayes - mayes-web@azcc.gov

Commissioner Mundell - mundell-web@azcc.gov

Commissioner Hatch-Miller - hatch-web@azcc.gov

Commissioner Pierce - pierce-web@azcc.gov

Chairman Gleason - gleason-web@azcc.gov

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

6/5 EMAIL TO CUSTOMER:

June 5, 2008

Dear Virginia and Del Hilkemeier,

Your email regarding the ICR Water Users Association ("ICR") rate case has been received through the offices of the Commissioners. It will be placed on file with the Docket Control Section of the Arizona Corporation Commission ("Commission") and made a part of the record. Your comments will be considered by the Commission before rendering a decision on the ICR rate case.

The concerns raised in letters and emails received from customers "will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

When the Commission receives an application from a utility company, the Commission Staff completes the following review procedures and compiles a Staff Report with recommendations for consideration by the Commissioners. This process allows for conciliation procedures for these utility

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companies when significant customer protests arise due to a requested rate increase.

A review of the utility's application and statistical information is conducted by a designated Staff auditor. The operating expenses claimed by the utility are examined and compared to the revenues received for the service provided.

The Engineering Staff conducts a technical review of the company and assures compliance with acceptable service standards. An inventory of plant facilities is conducted to assure the facilities ability to provide adequate service at reasonable rates.

The rate structure is based on the demand being placed on the system. The larger the line, the more demand on the system. This structure is used for most of the water companies regulated by the Commission.

The Consumer Services Section investigates complaints regarding the operation, service and billing practices of the company to ensure compliance with the statutes, rules, tariffs and orders of the Commission. After a problem has been identified through a complaint, Staff obtains facts from the company and determines if corrective action has been or needs to be initiated. Your concerns have been sent to the company for a response as well as being made part of the rate case review.

Staff appreciates your comments and the interest taken on the proposed rate increase. Updates to this proposed increase can be found on our website at www.azcc.gov in eDocket. Information on Public Comment Meetings can be found on the same website under News Releases. If you should have any questions relating to this issue, please call me toll free at (800) 222-7000.

Sincerely,

Trish Meeter
Public Utilities Consumer Analyst
Utilities Division
Arizona Corporation Commission
End of Comments

Date Completed: 6/5/2008

Opinion No. 2008 - 69041
